

LEGISLATIVE UPDATE

March 15, 2013 | Day 61 of the 105-day legislative session

PugetSoundPartnership

LEADING PUGET SOUND RECOVERY

The Legislative Update is a frequent report distributed throughout the legislative session. Each edition includes an update of legislative activities, as well as a list of specific legislative meetings of interest to the Partnership and our partners. Copies of bills can be found on the Legislature's website at www.leg.wa.gov.

All is quiet ... for a moment. Floor action and the intense debates in the House and Senate ended this week, with Wednesday's deadline to advance all policy bills from their place of origin. House bills had to move to the Senate and vice versa, or be considered "dead." Attention now turns to the budget, where the gap between costs and revenue appears to be even more significant.

Budget shortfall swells with increasing demand for services and declining revenues

The "caseload" forecast was presented on Thursday and predicted an increase in the number of people using state services, costing \$360 million more than previously expected. The Caseload Forecast Council tracks trends in K-12 school enrollment, prison population, welfare rolls, and several state-paid medical programs. The most significant cost driver was the increase in the number of low-income people enrolled in Medicaid programs being much higher than previously calculated.

We will see the "revenue" forecast next Wednesday, which is anticipated to bring more bad news. Both forecasts could cost an additional \$500 million, swelling the state budget shortfall to approximately \$1.5 billion, and increasing pressure to raise taxes and using dedicated funds to balance the budget. Soon after the revenue forecast, we expect to see budget plans from both the "Majority Coalition Caucus" in the Senate and Gov. Inslee.

House Republican budget proposal cuts funding for natural resources

On Thursday, the House Republicans proposed a "fund education first" budget. You can read the news release on their webpage, <http://houserepublicans.wa.gov/news/house-republicans-unveil-fund-education-first-budget> and see the numbers on OFM's webpage, <http://leap.leg.wa.gov/leap/budget/detail/2013/ho1315p.asp>.

What is most important to know is this proposal includes a \$28 million (9%) cut from the natural resources budget. No other budgets were cut and details were provided about how reductions to natural resource agencies and programs would be distributed. We will let you know as more information is released as budget discussions intensify.

2013 SESSION AT A GLANCE

Length: 105 days. If necessary, the Governor can call for a 30-day special session. Legislators can call themselves into special session with a two-thirds vote.

Next Cutoff: April 3, Last day to read in committee reports from opposite house except House fiscal committees and Senate Ways & Means and Transportation committees.

Information:

- For up-to-date legislative information, visit: www.leg.wa.gov
- To watch or listen to a legislative hearing, visit: www.tvw.org
- For both current and previous copies of the Legislative Update, visit: www.psp.wa.gov

Communication and Coordination:

If you are planning to testify on a bill, meet with legislators, or would like assistance with state legislative issues regarding Puget Sound priorities—please contact:

Michael Grayum
Public Affairs Director
360-628-1907

Meanwhile, we continue emphasizing the top priorities for Puget Sound investments and the Partnership's valuable role as an "oversight and accountability" agency. We protect the valuable taxpayer dollars appropriated by local, state and federal agencies used for Puget Sound recovery. We make sure investments of public funds are prioritized, regionally coordinated, and achieve the results Puget Sound needs and taxpayers expect.

Governor appoints more agency directors

Gov. Inslee recently announced additional cabinet appointments. **Kaleen Cottingham** was reappointed as the director of the Recreation & Conservation Office. Okanogan rancher **Bud Hover** will become the director of the Department of Agriculture, replacing Dan Newhouse. Hover is a former Okanogan County Commissioner and current chair of the state Salmon Recovery Board. Gov. Inslee also announced **John Wiesman** will head the Department of Health, replacing Mary Selecky, who recently announced her retirement. Director Dan Newhouse and Director Selecky will be missed. They have been great allies in the fight to restore the health of Puget Sound and have provided steady leadership for our state's natural resources.

Sequestration and Budget for 2013

The Partnership and its partners -- that support our goals both here and in Washington, D.C. -- are closely tracking the activities underway to finalize the Federal Fiscal Year 2013 budget and the sequestration that will cut federal budgets levels.

The federal government is currently funded under a Continuing Resolution that expires March 27. Funding decisions at federal agencies are still paused until they learn what their final 2013 budget levels will be and if they will have discretion in how to allocate the budget cuts after the current and soon-to-expire Continuing Resolution is extended. While the House passed its stop-gap extension of the Continuing Resolution, the Senate is still working on its version. It is anticipated that the Senate will act this week in time to prevent a government shutdown. We are tracking amendments and activities that will decide the fate of funding levels for the remainder of this year.

2014 Federal Budget

In addition, Federal Fiscal Year 2014 budget and appropriations activities are starting. The President's budget will be released in early April. The House and the Senate have recently issued their separate and very different budget proposals that will leave much work for congressional committees to reconcile.

Partners should be aware that after the Continuing Resolution extension passes, letters of support for appropriations will start circulating in Congress. If you are heading to Washington, D.C., we can provide you with information about federal programs and priorities that best protect and restore Puget Sound. Lisa Bellefond is the Partnership's go-to person for all things federal and we encourage you to connect with her at lisa.bellefond@psp.wa.gov.

Legislation pertinent to Puget Sound

SHELLFISH

Coastal Marine Advisory Council: Sen. Hatfield's legislation, [Senate Bill 5603](#), establishing the 'Washington Coastal Marine Advisory Council' and the 'Washington Marine Resources Advisory Council,' advanced from the Senate 40-9. The bill included was amended to include an additional council to advance the recommendations from the ocean acidification report, as proposed in Sen. Ranker's bill, which did not survive the policy cutoff deadline. Senate Bill 5603 was referred to the House Environment Committee. A public hearing has not yet been scheduled.

Climate Change: [Substitute Senate Bill 5802](#), requested by Gov. Inslee and sponsored by Sen. Ranker, regarding the development of recommendations to achieve the state's greenhouse gas emissions limits passed the Senate by a 37-12 vote. The bill experience several changes, including a substitute version from the Policy Committee and additional amendments in the Senate Ways & Means Committee to remove the emergency clause and reduce available funding. A public hearing is scheduled in the House Environment Committee on Wednesday, March 20, at 1:30 p.m. The legislation would authorize the establishment of a credible evaluation of approaches to effectively reduce greenhouse gas emissions and also create the climate legislative and executive work group to recommend a state program of actions, policies and investment to reduce greenhouse gas emissions.

HABITAT

Land acquisitions: Sen. Honeyford's legislation to establish a process for the acquisition of habitat and recreation lands, [Senate Bill 5054](#), advanced from the Senate by a 28-21 vote. It was referred to the House Agriculture & Natural Resources Committee, but a public hearing has not yet been scheduled. The bill would "generally" require certain state agencies to request and receive approval from the Legislature prior to acquiring certain types of real property. Concerns continue to be expressed that this bill would hinder existing land acquisition processes and restrict the flexibility needed to take advantage of market opportunities

Landowner liability: Rep. Stanford's legislation, [House Bill 1194](#), to limit landowner liability for habitat projects, passed the House 75-22 and has been referred to the Senate Law & Justice Committee. A public hearing in the Senate has not yet been scheduled. The Partnership supports this legislation and congratulates everyone working together to keep this bill moving forward.

Conservation easements: Rep. Sawyer's legislation allowing tribes to hold conservation easements, [House Bill 1277](#), passed the House on a 75-22 vote and is awaiting a public hearing in the Senate Natural Resources & Parks Committee. The Partnership supports this legislation because protection of habitat is a top priority in the Puget Sound Action Agenda and a major focus for our tribal partners.

Restricting designated agricultural land: Sen. Hobbs' legislation requiring any public entity owning designated agricultural land to maintain that land for future agricultural use, [Senate Bill 5276](#), died the

Senate Rules Committee. The Partnership and many other organizations opposed this bill because it would restrict the current collaboration between public and private landowners working together to protect the most viable agricultural land and implement the highest-priority habitat restoration projects in Puget Sound watersheds.

Aquatic invasive species: Sen. Honeyford's legislation, [Substitute Senate Bill 5702](#), regarding aquatic invasive species, passed the Senate 46-0. The bill was referred to the House Committee on Agriculture & Natural Resources and is scheduled for a public hearing on Thursday, March 21, at 1:30 p.m. This legislation specifies that transporting a recreational or commercial watercraft into the state without meeting valid documentation requirements is an aquatic invasive species infraction. It also repeals the Aquatic Nuisance Species Committee. The Partnership, Invasive Species Council, Ports Association and NW Marine Trade Association all support this legislation.

Limiting public access: Sen. Ericksen's legislation regarding public access on lands acquired in whole or part with public funds, [Senate Bill 5057](#), died the Senate Rules Committee.

Water rights: Sen. Ericksen's legislation concerning de facto changes in water rights for irrigation purposes, [Senate Bill 5199](#), passed the Senate on a 39-7 vote and is scheduled for public hearing in the House Agriculture & Natural Resources committee on March 21 at 1:30. A substitute bill was passed to require Ecology to initiate a process to allow water right holders to change the current status of water rights currently put to a different place of use only if certain conditions are met. The bill received support from the Washington Farm Bureau and Whatcom Farm Friends. The Washington Environmental Council and Lummi Nation voiced strong opposition, while the Cattlemen's Association, Department of Ecology and Yakima Nation expressed concerns.

Agricultural economy: Rep. Lytton's legislation to make investments aimed at returning under-producing land back into a state of active agricultural production, [House Bill 1188](#), died the Senate Rules Committee.

TOXICS

Derelict vessels: Rep. Hansen's derelict vessel legislation in the House, [Substitute House Bill 1245](#), advanced out of the House on a 96-1 vote and is scheduled for public hearing in the Natural Resources & Parks committee in the Senate on Thursday, March 21 at 1:30 p.m. Sen. Pearson's legislation, [Substitute Senate Bill 5663](#), advanced out of the Senate on a 45-4 vote and is scheduled for public hearing in the House Agriculture & Natural Resources Committee on Wednesday, March 20, at 8 a.m.

Both bills are similar. The biggest difference is in the House bill, which was amended to remove the sections that created new liabilities for marinas and called for an interim study to consider new approaches for identifying and policing derelict vessels. The Partnership continues to support both bills for the prudent, proactive policy changes to prevent derelict vessels. We also continue advocating for the Derelict Vessel Removal Program to have the funding necessary to expedite the removal of the more than 230 older, larger, more expensive ships.

Model Toxics Control Account (MTCA): Both MTCA reform bills, [Senate Bill 5296](#) sponsored by Sen. Ericksen, and [Senate Bill 5201](#) sponsored by Sen. Ranker, are in a holding pattern waiting to be part of the broader budgeting conversation in the Senate Ways & Means Committee. The use of MTCA is a hot topic this legislative session and will intensify with budget negotiations. [Details about the issues and dynamics of both bills can be found in last week's legislative update.](#)

ECONOMIC DEVELOPMENT

Urban economic revitalization: The substitute version of Rep. Appleton's legislation, [House Bill 1648](#), providing for community economic revitalization in incorporated areas, advanced from the House with a on an 89-8 vote. The legislation is scheduled for public hearing in the Senate Trade & Economic Development Committee on Tuesday, March 19 at 8 a.m. The bill would authorize loans for municipalities to finance public facilities improvements that encourage revitalization of vacant and abandoned properties in incorporated areas. The Partnership, cities, and Puget Sound Regional Council support this legislation.

Projects of statewide significance: Sen. Hobbs' legislation concerning projects of statewide significance for economic development and transportation, [Senate Bill 5805](#), died in the Rules Committee. This bill's association with the Cherry Point coal train and the Jefferson County "pit to pier" gravel mine project in Hood Canal had many stakeholders concerned.

Upcoming Legislative Hearings

Monday, March 18

10 a.m. Senate Governmental Operations; Public Hearing:

[SSB 1074](#) - Concerning requirements governing and associated with plat approvals.

Tuesday, March 19

8 a.m. Senate Trade & Economic Development; Public Hearing:

- [ESSH Bill 1648](#) - Providing for community economic revitalization in incorporated areas.
- [HB 1818](#) - Promoting economic development through business and government streamlining projects.

1:30 p.m. Senate Energy, Environment & Telecommunications; Public Hearing:

[ESHB 1294](#) - Concerning flame retardants.

Wednesday, March 20

8 a.m. Energy, Environment & Telecommunications; Public Hearing:

[ESHB 1364](#) - Concerning small rechargeable battery stewardship.

8 a.m. House Agriculture & Natural Resources; Public Hearing:

- [SSB 5054](#) - Establishing a process for the acquisition of habitat and recreation lands by the state.
- [ESSB 5663](#) - Regarding derelict and abandoned vessels in state waters.

1:30 p.m. House Environment; Public Hearing:

[E2SSB 5802](#) - Developing recommendations to achieve the state's greenhouse gas emissions targets.

Thursday, March 21

1:30 p.m. Natural Resource & Parks; Public Hearing:

- [ESHB 1245](#) - Regarding derelict and abandoned vessels in state waters.
- [HB 1570](#) - Concerning filing requirements for property tax exemption claims for certain improvements to benefit fish and wildlife habitat, water quality, or water quantity.

1:30 p.m. House Agriculture & Natural Resources; Public Hearing:

[SSB 5702](#) - Concerning aquatic invasive species.

Bill	Comp. Bills	Title	Latest Cmte Mtg Info	Status	Sponsor
KEY LEGISLATION FOR PUGET SOUND					
SHB 1127		Prefire mitigation plans	Jan 30 Executive action taken in the House Committee on Public Safety at 1:30 PM.	H Approps	Klippert
HB 1194		Habitat project liability	Feb 5 Executive action taken in the House Committee on Judiciary at 10:00 AM.	S Law & Justice	Stanford
SHB 1245		Derelict & abandoned vessels	Mar 21 Scheduled for public hearing in the Senate Committee on Natural Resources & Parks at 1:30 PM. (Subject to change)	S Natural Resourc	Hansen
HB 1275	SB 5788	Wastewater discharge fees	Feb 21 Executive action taken in the House Committee on Environment at 10:00 AM.	H Approps	Hunt
HB 1277		Conservation easemnts/tribes	Feb 5 Executive action taken in the House Committee on Community Development and Housing & Tribal Affairs at 10:00 AM.	S Natural Resourc	Sawyer
ESHB 1294	SB 5181	Flame retardants	Mar 19 Scheduled for public hearing in the Senate Committee on Energy and Environment & Telecommunications at 1:30 PM. (Subject to change)	S Energy, Environ	Van De Wege
SHB 1350		Growth and water resources	Feb 21 Executive action taken in the House Committee on Agriculture & Natural Resources at 1:30 PM.	H Apps Gen Govt	Chandler
ESHB 1364	SB 5457	Small rechargeable batteries	Mar 20 Scheduled for public hearing in the Senate Committee on Energy and Environment & Telecommunications at 8:00 AM. (Subject to change)	S Energy, Environ	Tharinger
HB 1384		Natural resources management		H Govt Acct & Ove	Orcutt
SHB 1401	SB 5399	Growth mgmt act/ penalties	Feb 21 Executive action taken in the House Committee on Local Government at 8:00 AM.	S Govt Ops	Fitzgibbon
HB 1570	SB 5593	Property tx exemption claims	Mar 21 Scheduled for public hearing in the Senate Committee on Natural Resources & Parks at 1:30 PM. (Subject to change)	S Natural Resourc	Kretz
SHB 1591	SB 5679	Agency rule review process	Feb 21 Executive action taken in the House Committee on Government Operations & Elections at 10:00 AM.	H Approps	Smith
2SHB 1648		Cmty economic revitalization	Mar 19 Scheduled for public hearing in the Senate Committee on Trade & Economic Development at 8:00 AM. (Subject to change)	S Trade & Economi	Appleton
SHB 1717		Up-front enviro planning	Feb 22 Executive action taken in the House Committee on Local Government at 1:30 PM.	S Govt Ops	Fitzgibbon
SHB 1894		Shellfish aquaculture	Feb 21 Executive action taken in the House Committee on Agriculture & Natural Resources at 1:30 PM.	H Approps	Seaquist
SSB 5054		Habitat and recreation lands	Feb 28 Executive action taken in the Senate Committee on Ways & Means at 1:30 PM.	H Ag & Nat Res	Honeyford
SSB 5290	HB 1415	Hydroelectric generation	Feb 13 Executive action taken in the Senate Committee on Energy and Environment & Telecommunications at 8:00 AM.	H Environment	Delvin
SSB 5296		Model toxics control act	Feb 20 Public hearing in the Senate Committee on Ways & Means at 3:30 PM.	S Ways & Means	Ericksen

SB 5424	HB 1579	Paint stewardship	Feb 27 Public hearing in the Senate Committee on Ways & Means at 2:00 PM.	S Ways & Means	Chase
SB 5603		Coastal marine adv. council	Mar 1 Executive action taken in the Senate Committee on Ways & Means at 1:30 PM.	H Environment	Hatfield
SB 5658		Mercury-containing lights	Feb 21 Executive action taken in the Senate Committee on Energy and Environment & Telecommunications at 1:30 PM.	H Environment	Ericksen
SSB 5663		Derelict & abandoned vessels	Mar 20 Scheduled for public hearing in the House Committee on Agriculture & Natural Resources at 8:00 AM. (Subject to change)	H Ag & Nat Res	Pearson
SSB 5679	HB 1591	Agency rule review process	Feb 28 Executive action taken in the Senate Committee on Ways & Means at 1:30 PM.	H Govt Operations	Brown
SSB 5702		Aquatic invasive species	Mar 21 Scheduled for public hearing in the House Committee on Agriculture & Natural Resources at 1:30 PM. (Subject to change)	H Ag & Nat Res	Honeyford
2SSB 5802	HB 1915	Greenhouse gas emissions	Mar 1 Executive action taken in the Senate Committee on Ways & Means at 1:30 PM.	H Environment	Ranker
BUDGET LEGISLATION					
HB 1057	SB 5034	Operating budget 2013-2015	Jan 15 Public hearing in the House Committee on Appropriations at 3:30 PM.	H Approps	Hunter
HB 1058	SB 5033	Operating sup budget 2013	Jan 15 Public hearing in the House Committee on Appropriations at 3:30 PM.	H Approps	Hunter
HB 1088	SB 5036	State gen. obligation bonds	Jan 28 Public hearing in the House Committee on Capital Budget at 1:30 PM.	H Cap Budget	Dunshee
HB 1089	SB 5035	Capital budget 2013-2015	Jan 28 Public hearing in the House Committee on Capital Budget at 1:30 PM.	H Cap Budget	Dunshee
HB 1864	SB 5024	Trans budget 2011-13/2013-15		H Trans	Clibborn
SB 5024	HB 1864	Trans budget 2011-13/2013-15		S Transportation	King
SB 5033	HB 1058	Operating sup budget 2013		S Ways & Means	Hill
SB 5034	HB 1057	Operating budget 2013-2015		S Ways & Means	Hill
SB 5035	HB 1089	Capital budget 2013-2015		S Ways & Means	Honeyford
SB 5036	HB 1088	State gen. obligation bonds		S Ways & Means	Honeyford